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ABSTRACT

One of a series of units designed to help secondary students understand business issues, this packet focuses on the role of organized labor in the business world. Teacher and student materials are provided in two separate sections. The teacher's guide contains five detailed lesson plans, suggestions for follow-up activities, definitions of important terms, background readings and handouts for a student simulation. Following an introductory reading on disputes in the workplace, the student materials include a preassessment survey of economic knowledge, a simulation based on the J. P. Stevens labor dispute, and readings on labor history, collective bargaining, business techniques for dealing with the unions, and innovative labor relations in American, Swedish, and Japanese automobile industries. A vocabulary worksheet reviews major terms introduced in the unit. (LP)

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DISPUTES IN THE WORKPLACE: MANAGEMENT VS. LABOR

Instructor's Guide

SO 015 376

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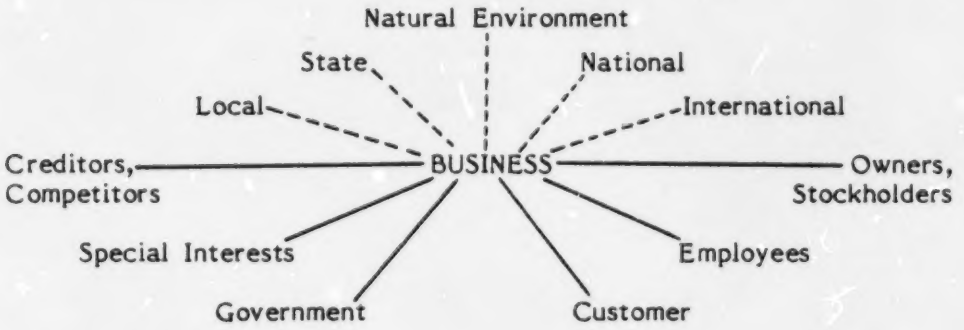
Business Issues in the Classroom
Constitutional Rights Foundation
Los Angeles, California
Revised, 1983

DISPUTES IN THE WORKPLACE: MANAGEMENT VS. LABOR

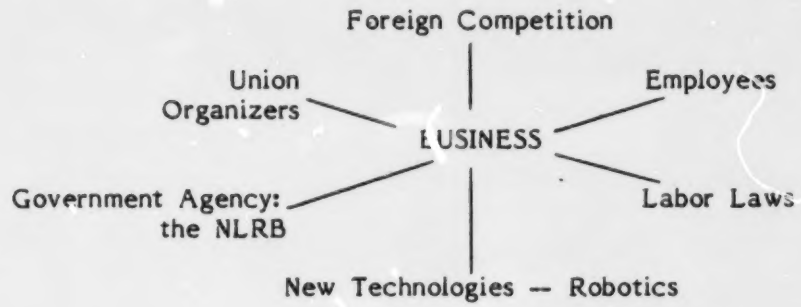
OVERVIEW

Business Issues in the Classroom (BIC) introduces students to exciting, difficult, and complex decisions that face the business community today. Case studies and activities help students understand the setting in which American companies must function. This business environment includes many groups with conflicting interests: stockholders, consumers, employees, special interest groups, business competitors and creditors, and government. These groups affect business and, in turn, are affected by business decisions. Each BIC lesson plan focuses on a specific issue which highlights a particular relationship in the business decision-making environment.



THE BUSINESS DECISION-MAKING ENVIRONMENT

This unit introduces students to the role of organized labor in the business world. They will encounter textile workers, auto workers, and Disney World workers who are represented by unions. They will learn about the government agency that supervises union representation elections and investigates violations of labor laws, the National Labor Relations Board (NLRB). They will meet managers who oppose unions and managers who have learned to work with unions to achieve the goals of both labor and management.



THE MANAGEMENT-LABOR ENVIRONMENT

Activities include a preassessment survey to discover students' current level of understanding, a simulation based on the J. P. Stevens labor dispute, readings on labor history, collective bargaining, and grievance procedures, and readings on innovations in labor relations in the American, Swedish, and Japanese automobile industries. A vocabulary worksheet helps students review the new terms in the lesson. Simulation roles are included in the Instructor's Guide.

OBJECTIVES

Students will be able to:

1. describe collective bargaining and grievance procedures.
2. define a representation election.
3. give the names of three labor unions.
4. describe the functions of the National Labor Relations Board.
5. list several new developments in labor-management relations in the automobile industry.

TIME FRAME

5 or more class periods

CLASSROOM APPLICATIONS

DAY 1 Reading and Discussion: Introduce the unit by having students read the introduction, p. 1-2, and complete the activities on page 3, "Strikes and the Public Interest." When each student has completed these introductory activities, discuss their responses. This discussion can be used as a preassessment to discover their present understanding of organized labor and familiarity with the issues. Assign the readings, "Unions: Collective Bargaining & Grievance Procedures" and "Labor and Management: Yesterday," p. 4-8, for homework.

DAY 2 Simulation: Refer students to page 9, which describes the labor dispute at True Weave, a textile plant in the rural South. Assign students to one of the following four groups:

Management	3-5 students
Union organizers	3-5 students
NLRB officials	3-5 students
Workers	15-25 students (remainder of class)

SIMULATION

Step 1. (20 minutes)

Fact sheets for this simulation are found on p. 12-17 of the Instructor's Guide. Each group should read its Fact Sheet. Appoint group leaders and have them direct the group in its task:

Managers: Prepare arguments to convince the textiles workers not to join the union. Choose a speaker to present the company's arguments to workers.

Union organizers: Prepare arguments to convince workers that they need a union. Choose a speaker to talk to the workers.

NLRB officials: Set up voting booths and prepare ballots for the election. Choose a speaker to explain election procedure to the class.

Step 2. Presentations (20 minutes)
Union officials and management each have an opportunity to talk with workers about their points of view. (10 minutes each)

Step 3. Voting (10 minutes)
Workers cast their ballots for or against the union. NLRB Officials count the votes and report results.

DAY 3 Step 4. Debriefing
Teacher leads a discussion of the simulation, using the real J. P. Stevens case to expand student understanding. Case is provided in this Guide, p. 9-11. Debriefing should focus around the following questions:

1. Ask the workers how they feel about the election results. Why did they vote as they did?
2. How do the True Weave management representatives feel about the workers' decision? What impact do they feel this decision will have on labor-management relations in other plants? You might want to mention that in the situation that was the basis for this case, the J. P. Stevens Company has spent the past 17 years actively working to keep the Amalgamated Clothing and Textile Workers Union from organizing the workers in its 80 southern textile mills.
3. What are the alternatives facing the workers? What are the possible consequences of a pro-union vote? an anti-union vote?
4. Ask the NLRB Officials to explain the purpose of their government agency. Do the union organizers and the management representatives feel the election was handled

in a fair and equal manner? Do the NLRB officials feel that the election was conducted correctly under the rules of fair labor practices?

5. Did the union or the company use threat or coercion to influence the workers' votes? What might constitute threat or coercion by each group? You might note that such actions by the company as threatening to close down a plant and refusing to bargain with the union representing its workers have been prohibited by the NLRB. However, the J. P. Stevens Company often paid the penalty fines from the guilty verdicts and continued such practices. That is why it was called a "labor outlaw."
6. What do you think should be included in a contract between True Weave and the Textile Workers Union?
7. Could a union also use "unfair practices" to win an election? Are there certain rules that should regulate the way unions act during elections and the way they treat their members?

Note: In June 1947, Congress passed the Taft-Hartley Act which prohibits various unfair union practices similiar to the Wagner Act's regulations for management practices. This act contains many of the same rules which apply to companies. In addition the act forbids:

(a) closed-shop contracts which force employers to hire only people who already belong to the union which represent its workers
(b) jurisdictional strikes which are designed to force an employer to recognize one union instead of another
(c) featherbedding, a term which refers to payment for services not really rendered
(d) high initiation fees, entrance fees for joining the union

For homework, assign the reading, "Unions Today," p. 10, "Mickey Mouse Will Wear the Union Label," p. 11, and the Review Questions on p. 12.

DAY 4 Discussion: Discuss the questions on page 12. Assign the reading, "The Automobile Industry: Present and Future," p. 13-19, in class or for homework.

DAY 5 Discussion: Discuss the reading on the auto industry using the questions that follow each section and the review questions on p. 19.

FOLLOW-UP: There are many topics that complement this lesson -- labor history, labor law, and the use of a resource person such as a business person, union leader, or lawyer (anyone knowledgeable about union-management relations). Students might be interested in seeing an actual contract and discussing some of the provisions of the contract. Ask the speaker to discuss actual cases that have gone through the grievance procedure in his or her company.

USING A RESOURCE PERSON IN THE CLASSROOM

The Business Issues in the Classroom Program has a talented group of business professionals who are prepared to enrich this unit of study. At least two weeks in advance, call the Constitutional Rights Foundation (213) 473-5091 and ask the BIC placement coordinator to arrange a classroom visit.

The business resource person could participate in the following ways:

Day 3: discuss the actual J. P. Stevens case following the simulation.

Day 4: describe the job of an industrial relations manager and the collective bargaining procedures and grievances in his or her company.

Definitions of Important Terms

1. authorization card: a card signed by the employee and submitted to the NLRB denoting his/her approval of a representation election being held.

2. collective bargaining: negotiation between the representatives of organized workers and their employer to determine wages, hours, rules, benefits, and working conditions.

3. cost of living: the relative prices for the "necessities of life" for an average family; specifically, food, shelter, energy, and medical care. Index numbers are used to measure changes in consumer prices.

4. costs of production: various costs to the company for the items necessary to produce their goods. Land, labor, and capital are major factors of production and costs to an employer.

5. election petition: a formal request for a union representation election, signed by those workers in favor of it.

6. federation: a form of organization in which power is divided between a central authority and a number of constituent units.

7. National Labor Relations Board (NLRB): an independent agency of the federal government created by the terms of the Wagner Act of 1935. Members of the Board are appointed by the President of the United States. The Board decides cases of unfair labor practices and oversees union representation elections.

8. representation election: a secret ballot election held in the workplace, in which employees vote to decide whether they want a particular union to represent their interests in negotiations with employers.

9. textiles: cloth; fabric; especially one that is woven or knitted. The term also pertains to the fiber or yarn used for weaving into fabric.

10. unfair labor practices: possible actions taken by an employer which interfere with the workers' rights regarding unions. These prohibited acts are described by the terms of the Wagner Act. Employers are forbidden to:
    (a) interfere, restrain or coerce employees in their union activities.
    (b) assist or dominate a labor organization (form a "puppet" union).
    (c) discriminate in employment for union membership or union activities.
    (d) discriminate for participation in NLRB proceeding.
    (e) refuse to bargain collectively with a certified union.

11. unionize: to organize or join a labor union.

The True Weave simulation is based on similar attempts by the Amalgamated Clothing and Textile Workers Union to organize the textile plants of the J. P. Stevens Company. Although the basic facts of the simulation have been derived from actual cases in Stevens plants, certain aspects of the factual situation have been changed in order to simplify the issues being considered in the case.

The following articles provide background on the J. P. Stevens labor-management dispute.

Stevens Signs Contract With Textile Union

By HARRY BERNSTEIN
Times Labor Writer

A deeply religious union organizer, a beautiful movie star, resourceful union leaders and nearly two decades of struggle by thousands of textile workers combined to achieve a major breakthrough Sunday in union efforts to organize workers in the South's mills.

J. P. Stevens & Co., the nation's second largest textile firm, and the AFL-CIO Amalgamated Textile & Clothing Workers of America signed a 29½-year contract in New York.

Although it clearly was a union victory, Whitney Stevens, chief executive officer of the giant firm, predicted the union will be eliminated from the company's plants within five years, adding that the agreement forced the company to give nothing more in wages and fringe benefit increases than had already been given to the non-union workers.

"Start of a New Era"

But Murray H. Finley, ATCWU president, noted that the company had been predicting for decades that Stevens would never sign any union agreement, "and Stevens will be as wrong about his latest prediction as his predecessors were about theirs."

Finley said the new contract marks "the start of a new era both for workers at Stevens and for the hundreds of thousands of non-union workers throughout the South who saw Stevens as the symbol of their opposition."

Union workers will receive about $1,300 each in retroactive wage increases already paid to non-union workers in other Stevens mills. It will be the first pay raise since July, 1978, for Stevens workers in Roanoke Rapids, N.C., who union leaders say have earned an average of $4.36 an hour.

The union, in turn, agreed to call off its costly boycott and not to continue making Stevens its prime target for unionization of the textile industry in the South.

Unions have tried since the early 1940s to organize the Southern textile mills, which today employ 700,000 workers. The prime target of that campaign for the last 17 years has been Stevens, which employs about 44,000 workers in 180 plants, mostly in the South.

After years of expensive legal battles, the first break for the union came in 1973 when Crystal Lee Sutton, then a Stevens worker in Roanoke Rapids, headed the plans of union organizer Eli Zivkovich to ignore her father's warning and help unionize Stevens.

Company supporters mounted a personal attack on her, saying she had an illegitimate son, several love affairs and unhappy marriages. But Sutton fought back, and in 1974 a majority of the workers in Roanoke Rapids voted to name the union as their bargaining agent.

Sutton credited Jesus Christ and the "pure cause" of the union for her victory. Her story eventually was made into an Oscar-winning film, "Norma Rae." The character based on Sutton was played by Sally Fields, who joined Sutton in numerous public appearances in support of the union.

The public image of Stevens was apparently hurt badly by the portrayal of Sutton's life and by the massive support it helped to win in the union's $1 million-a-year worldwide boycott of the company's products.

Those factors added pressures on Stevens, which was continuing to receive harsh, if ineffective, orders from the National Labor Relations Board and the courts to stop using its illegal tactics.

Added to those campaigns was another unusual tactic pressed by the union's president, Finley, and others who campaigned among prominent U.S. financial institutions and other corporations to persuade them to stop lending money to Stevens and to oust from their own boards of directors those who also served on Stevens' board.

The union will have to continue struggling, however. The new agreement initially covers only about 4,000 workers, although the company has also signed a separate agreement with the union that, in time, could affect all of the firm's employees if they vote to join the union.

The key provisions of the pact include management's agreement to let a neutral arbitrator resolve contract disputes. Management also promised not to continue its previous tactics of fighting the union after workers vote for representation, and to bargain in good faith.

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The Fall of J. P. Stevens & Co.: a Triumph for Labor's Southern Strategy

By HARRY BERNSTEIN

CRYSTAL Lee Sutton, the usually reserved symbol of labor's efforts to organize the largely non-union Southern states, was speaking sedately in her soft drawl to a group of Baptist ministers last Sunday when J.P. Stevens & Co. finally signed a union contract.

Had she followed a rare impulse, however, she would have been "running out in the street shouting for joy. I waited a long, long time for this great day."

It is true that Stevens finally capitulated after fighting furiously for 17 years to hold its position as the strongest, best-known bastion of anti-unionism in the nation.

But did the company's decision to recognize the Amalgamated Clothing and Textile Workers of America as bargaining agent for only about 3,500 of Stevens' 40,000 workers really justify Sutton's joyous response?

The answer is clearly, yes indeed.

Whitney Stevens, board chairman of the nation's second-largest textile company, minimized the union's victory on the day the historic agreement was signed in New York.

"The people of the South basically don't care for unions," said Stevens, the great-great-grandson of Capt. Nathanial Stevens, who founded the firm in Andover, Mass., in 1813.

Therefore, he concluded, the contract he signed will not be a spur for unionization of the South, nor will Stevens itself ease its fight to prevent further union gains.

And, he insisted, the company made few concessions to the union to bring an end to the battle that began in 1963 and made Stevens and its anti-union tactics the target of a massive, worldwide boycott.

But Sutton, whose mother was a weaver, whose father was a loom fixer and whose husband and children are, as she says, "lint-heads like me," has a better grasp of the meaning of unionism than has her aristocratic rival.

"Lint-heads" like Sutton, who are almost on the bottom of the nation's economic ladder and who get their nickname from the white clouds of cotton lint that cover most textile-mill work areas, primarily wanted a union contract from the notoriously anti-union Stevens to prove it could be done.

And the union supporters got the contract.

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Stevens may not be familiar with an old union song, "Which Side Are You On?" but a refrain goes, "We're fighting for a contract. . . . We're fighting for our children."

But Sutton, the real-life model of the Academy Award-winning film, "Norma Rae," knows victory was the very existence of a union contract with the company that spent millions of dollars, and suffered the scorn of even some of the country's most conservative industrialists, to avoid that fate.

The company had continued its fight against the union in the face of a host of guilty verdicts handed down by the National Labor Relations Board (NLRB) and the courts against the firm for spying on workers, firing union supporters and other illegal tactics.

The company pressed the battle year after year despite a U.S. Circuit Court of Appeals contempt ruling against the firm for "massive violations of its employees' rights." The court said Stevens was "the most notorious recidivist in the field of labor law."

And the company kept the war going against the union despite the reputation it gained as a cruel exploiter of workers, a reputation spread widely through union films and leaflets dramatically charging that the firm not only is one of the lowest-paying companies in America but also callously allows brown-lung disease to disable thousands of textile workers each year because cotton-dust levels in its mills are nearly three times the permissible federal level.

Yet, after enduring such accusations, and costs, for 17 years to prevent unionization, the company did capitulate and thus Sutton and her friends are clearly justified in terming that fact alone a victory for unionism.

Four of Stevens' 80 plants are now covered by the union pact. Agreement came first at the Roanoke Rapids, N.C., mill where the Bible-quoting, mild-mannered but determined Sutton led a union campaign in 1973.

The contract is fairly routine in many ways. It provides, among other things, back pay to unionized workers to compensate them for the wage hikes Stevens gave to non-union plants over the last two years, increases that the NLRB said were designed to help keep the union out.

But the company made far more significant concessions to the union in return for the union agreement to call off its boycott and to stop its campaign to get financial institutions and other firms to refuse loans to the company and to remove Stevens' board members from other corporate boards of directors.

For instance, for the next year and a half, Stevens will offer the Roanoke Rapids contract to any of its mills where the workers vote for union representation.

That means Stevens' non-union employees can now be told by organizers to vote for the union without having to worry about yet another strike to win a contract.

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Often, a union will win a representation election only to find that is just the beginning of its fight for a contract, as happened with California's farm workers. And many workers will vote against a union because they fear it could lead to a strike in order to win a contract.

But Stevens has now promised, in writing, that all the union must do is persuade a majority of workers to vote union, and they get a union contract, complete with arbitration of their complaints against the company, seniority rights and the chance to negotiate higher wages every six months.

For a dedicated unionist, that is not an insignificant gain, and could be used by the union to make major inroads among the company's remaining 36,000 or so non-union workers. The company made another major concession which may not have struck Whitney Stevens as significant, but really seems to amount to a contract clause for the ACTWA that the rest of organized labor failed to get in its quest for federal labor law reform.

Present federal labor laws are so worded that companies which want to evade them can do so if they are willing, often after years of litigation, to pay some relatively small penalties for violating the laws designed to protect workers' rights to have a union.

Two years ago, the Carter Administration backed proposals to make it harder for companies to abuse the law by lengthy delays in courts, and it won the approval of a majority of the House of Representatives and Senate.

A filibuster killed it in the Senate, however. The new Stevens' contract in effect provides the same kind of protection sought by all of organized labor in the futile labor-law reform fight.

Stevens says it will not stall recognition of the union where a majority of its workers vote for union representation, and will offer the workers a contract without prolonged legal battles.

That, too, must be regarded as a victory, along with other provisions, such as the arbitration of disputes coming up under the contract.

For years, union supporters have accused Stevens of engaging in deceptive tactics and abusing workers. Now, under the agreement, the company and the union must rely on a neutral arbitrator to make final decisions about disputes workers have with their bosses.

For its part, the union gave up a boycott campaign that was costing $1 million a year, and accepted the wage hikes previously given to non-union Stevens' workers.

Pam Woywood, one of the boycott leaders, summed up the union victory this way:

"We didn't get the best contract in the world. Textile workers are still underpaid, overworked, and subject to dreadful health hazards. Now they have a contract that is a mechanism for changing all that.

"Workers now have a legal voice in correcting health and safety problems, we have plantwide seniority on layoffs and promotions, a real say in setting workloads, and getting access to the plants for our own engineers to check up on such things as time and motion studies.

"But most important of all, we have helped destroy the widely held myth, so carefully cultivated by Stevens over the years, that no textile worker, or union, ever had a chance against a giant like Stevens."

She may be far too optimistic about her cause. A battle has been won, certainly, but as long as U.S. labor-management relationships are grounded in the traditional adversary system, economic warfare between workers and managers will continue.

An army of highly paid "labor consultants" is showing other companies in and out of the South how to combat unions, without necessarily engaging in the 19th Century tactics Stevens used.

Stevens finally succumbed to the pressures of the boycott, the constant flood of government and court decisions against it, the pressure of intensified union organizing and, perhaps crucially, the union's success in turning many other corporate leaders against Stevens for giving all business a bad name.

In the future, unions may be able to wield even more economic power over anti-union companies through their voice in investments of nearly $600 billion in pension-fund reserves.

At present, most of the pension money is invested through traditional channels, with brokers, banks and insurance companies that are concerned only about making a good profit on a safe investment.

But with increasing frequency, unions are demanding, and getting, another criteria they call "social value" for pension-fund investments.

Obviously, the unions would not find it "socially valuable" to invest pension-fund money into companies such as Stevens.

However, even with that added potential strength, and with the victory at Stevens, the unions have a long way to go to unionize the South.

The non-union companies are not going to give up easily, no matter how much courage textile workers may derive from the Stevens' pact or the promise of economic help from pension-fund investments.

North Carolina, where Stevens has many of its plants, is the nation's lowest-wage state, and only 6.5% of its workers now belong to unions compared to nearly 30% in the industrialized states of the North and West.

In all of the southeastern states, only 14% of the workers belong to unions, and wages there are still well below the national average.

North Carolina, for instance, has an hourly wage average of $4.87, or nearly $2 less than the national average.

Harold McIver, head of the AFL-CIO Industrial Union Department's organizing efforts in the South, is convinced that with the Stevens' breakthrough as a model, "we just might see some momentous changes coming in the South, if we can all stick together."

Obviously, it's too soon to know the real meaning of the Stevens' agreement. But it is hardly accurate to suggest, as Stevens does, that nothing has changed for its workers, or for the South, as a result of the agreement.

J. P. Stevens & Co., the bastion of anti-unionism in the South and a symbol of anti-unionism around the country, has fallen.

The company has pledged to make it easier for union organizers like Sutton to persuade other Stevens' workers to join union ranks, and while unions will not suddenly sweep the Southern states because Stevens finally signed a union contract, that fact alone was certainly enough to justify Crystal Lee Sutton's urge to shout for joy.

Harry Bernstein is The Times' labor writer.

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FACT SHEET #1: THE CONCERNS OF THE WORKERS

You live in the small town of Brownshill, South Carolina. You are one of 600 workers in the True Weave Textile plant which employs almost 50% of the eligible workers in your town. Your job is to run the machines that produce yarn, cloth, towels, and sheets. Like other textile laborers, you call yourself a "lint head" because everyday when you leave work, your hair and clothing are covered with clumps of cotton lint thrown off by the looms (machines) you operate.

Low wages: The True Weave Company has 80 plants in the South and employs a total of 30,000 people. It is the second largest textile firm in the United States. Because they can take advantage of cheap labor, three quarters of the U. S. textile industry has moved to the Southern states. Working in the textile mills does not pay much, about $3.50 per hour, compared to $9.00 to $12.00 an hour for auto workers and steel workers. But you would have trouble finding another job. The textile industry is the only big employer in your region, and you are not trained for any other work. In your family, four people must try to live off the meager wages you earn. If you lose your job, the family will have no money at all.

Bad working conditions: Your family and friends live here in Brownshill and you do not want to leave your town to look for another job. Your parents worked in this plant and your children will probably have to work here, too. You do not mind so much how the company treats you, but you cannot stand the thought of your children growing up and working there. Eventually, one in every three employees in your plant develops "brown lung disease" after many years of breathing in the dust. You are afraid of getting old, working at True Weave. The machines you work with can be dangerous. Your neighbor's daughter lost two fingers in a loom.

Union meeting: Some outsiders are in town to try to get the True Weave workers to join their union. You have heard that the union might be able to get the company to raise your wages, but you are not sure whether you trust the union people any more than your bosses. Most "lint heads" in the South do not belong to the unions. You were afraid that you would be fired if you went to one of the union meetings in town, so you have not heard the union's story yet.

Listen to the statements of the union organizers and your employers. What could you gain by joining the union? What could you lose?

FACT SHEET #2: THE CONCERNS OF MANAGEMENT

You are managers of the True Weave Textile Company's plant in Brownshill, South Carolina. The True Weave Company has 80 plants in the South and employs a total of 30,000 people. 20% are from minority groups and 40% are women. True Weave is the only big employer in your town. 600 people work there. Almost half the families in town depend on your company for their income. Without the company, they would be out of work. Now the union people are coming in from New York to try to organize your workers. It seems to you that these people are out to stir up trouble for your company.

Fair wages: The union is making demands which the company cannot satisfy and still stay in business. They are telling your workers that you do not pay them enough. They are comparing the $3.50 per hour which you pay your employees to the $9.00 to $12.00 per hour wages in steel mills. You do not think that this is a fair comparison. The cost of living is higher in the big Northern cities where the steel workers live. Your company tries to pay as much as it can to its workers.

Low profits: Profits in the textile industry are very low, only about 3¢ per dollar's worth you sell. This is because it is expensive to make the cloth. One of the costs of production is the employee's pay check (wages). Other big textile manufacturers pay their workers the same amount you do. You have raised wages 7% in the past ten years. If you pay the workers more, you will have to charge more for your factory's products. Fewer people will buy your product, and you will have to shut down your plants. Then your workers will be out of work.

Foreign competition: In the past decade, other countries have started to compete with you. Workers in very poor countries get paid much less than your workers, and some of those companies spend little money on the health and safety of their employees. You spend a great deal on these things. So these foreign companies are already selling their materials for much less than you can. If your company and other American textile companies are forced to raise employee wages, your prices will be even higher. People will buy the cheaper foreign products. The entire textile industry in America could die.

Safety and health: The union people are making many other misleading statements to your employees. They say that you are violating government health regulations. They talk about employees who get hurt on the job. You feel that you are doing everything you can about the problem of dust in the air which workers breathe. The textile industry is relatively safe. (It is ranked #4 of 41 for industrial safety.) Of course, people can get hurt by machines if they work with them every day, even if you follow safety codes and the machines are running smoothly. You try to supervise and train your workers. You want your workers to be healthy. They cannot work well if they are sick.

Company goals: True Weave likes a direct relationship between its managers and workers. It does not want to negotiate through a union. How can you convince your employees not to join?

FACT SHEET #3: THE UNION ORGANIZERS

Union goals: You work for the Textile Workers Union. You have just arrived in the small Southern town of Brownshill, South Carolina. This is your tenth trip in one year to the True Weave textile plant here. Last year you were involved in a successful union organizing drive in another True Weave plant. That was the first time that the majority of workers in one of this company's plants had voted in favor of joining a union. But that one union victory will not mean so much if you cannot get the workers in other True Weave plants to join also. For example, if the workers in the unionized plant go on strike for higher wages, True Weave can wait out the strike, close down that plant, and move the work to one of its 79 other factories.

Unsafe, unhealthy conditions: You believe that the workers in the True Weave Textile plants are being mistreated. The union could protect their rights and interests. The dust level in those plants is twelve times higher than allowed by government regulations. The workers call themselves "lint heads" because they are always covered with the stuff. True Weave has also violated safety standards. In just one year, there were thirty injuries in the Brownshill plant. The workers are not adequately trained to use the dangerous machinery. The AFL-CIO, the labor union federation to which your union belongs, has called the True Weave Company the "number one labor outlaw" in the country. The company has been found guilty of more National Labor Relations Act violations than any other company in U. S. history. For example, they hire minority workers but often pay them less than they pay other workers. This is against the law.

Low wages: Three-fourths of the U. S. textile industry has moved to the South to take advantage of the cheap labor there. True Weave only pays its workers an average of $3.50 per hour (steel workers get $9.00 to $12.00 per hour). The workers can barely support their families on such low wages. But they feel they must accept this or nothing, because True Weave is the only big employer in town. The Union could help these people. The individual worker cannot stand up to a big corporation. So these people must join together with others and organize unions. The Union is powerful enough to make gains with the company. The True Weave Company will have to listen to the demands of an entire union.

Outsiders: The big problem is that the company is fighting your efforts to unionize its workers. Also, the workers themselves do not really trust you. They do not like people from Northern cities telling them what to do. They do not want to lose their identity by joining a large, impersonal organization. Once, in fact, several townspeople helped the True Weave Company to wire-tap the motel room of another union organizer. Sometimes you feel like the whole community is anti-union.

FACT SHEET #4: NLRB OFFICIALS

You are a member of the National Labor Relations Board (NLRB). It was created by the terms of the Wagner Act of 1935 and is an independent government agency. The board oversees labor-management relations in business and industry. Sometimes this involves investigating charges of unfair labor practices brought by unions against companies. These are actions used by an employer to prevent unions from representing the workers in a plant or factory. Laws about unfair labor practices were created because the employer has a natural advantage over the union. The employer can hire and fire people and make their work extremely unpleasant.

Representation election: Another duty of the NLRB is to supervise secret-ballot elections called representation elections, in which employees vote to determine whether a union will represent them in collective bargaining with their employers. This is the reason you have come to the True Weave textile plant in Brownshill, South Carolina. You will supervise an election to decide whether the Textile Workers Union should represent the workers in that plant.

Fair labor practices: The representation election is conducted much like a political election. Each eligible worker is given a secret ballot. There are usually voting booths set up so that each worker can cast his or her ballot in privacy. No advertising by either the union or the employer is allowed near the polling place. The NLRB has made rules to try to equalize the roles of the employer and the union. Employers can express their views, but cannot use threat or coercion.

Election Procedure:

1. Set up desks or tables to serve as booths for the election. A voting booth is usually a small, enclosed compartment in which a voter can cast a ballot in privacy, but a desk separated from all the others will offer some privacy.

2. Each worker will be given a chance to go to one of the voting booths to cast a ballot. Give workers a ballot as they go into the voting area. When they have voted, put their ballots in a box and check off their names from their list. Only one vote per worker. Management does not vote.

3. Count the vote and announce the results to the class.

DISPUTES IN THE WORKPLACE: MANAGEMENT VS. LABOR

Student Materials

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DISPUTES IN THE WORKPLACE: MANAGEMENT VS. LABOR

As an employee, what should you do if you feel your workload is unfair, your pay too low, or the job threatens your health? As an employer, what should you do when your employees are often absent, unmotivated, and doing poor work? These are examples of issues that cause management (the employer) and labor (the employees) to clash. In this unit we will examine disputes where there is a labor union representing employees.

Unlike most employees, union members work under a written contract that can be enforced in a court of law if either management or the union fails to live up to the terms of the agreement. This contract covers such issues as wages and working conditions. It sets forth a procedure for resolving conflicts. It places limits on both the workers and the managers of the company.

Collective bargaining is the process by which the contract is made. Representatives of management and representatives of the union sit down together and work out the terms of agreement. If an agreement cannot be reached, the workers may vote in favor of a strike -- stopping production until an agreement is hammered out. The employer might close the plant, depriving workers of their income temporarily or permanently. But the vast majority of the 500,000 labor contracts in force today were settled without a strike, through the hard work of both labor and management.

In 1981, strikes affected 1.2% of the U. S. workforce. There were 2,568 strikes, involving a total of one million workers. Most of these strikes lasted more than fifteen days. A total of 24,730,000 days of work were lost due to strikes (computed from the number of workers out on strike and the length of each of those strikes).

You may have already had contact with labor disputes. Perhaps you were unable to take a bus or plane because of a strike. You or someone in your family may be a union member. You may choose a future career as a labor lawyer, arbitrator, union official, or a manager of industrial relations. The materials in this unit will help you better understand the relationship -- past, present, and future -- of management and organized labor.

The unit includes the following activities:

1. ACTIVITY: Strikes and the Public Interest
2. READING: Collective Bargaining and Grievance Procedures
3. READING: Labor and Management: Yesterday
4. SIMULATION: A Labor Dispute at True Weave Textiles
5. READING: Unions Today
6. READING REVIEW: Questions to Answer
7. READING: The Automobile Industry: Present and Future
8. READING REVIEW: Questions to Answer
9. VOCABULARY WORKSHEET

STRIKES AND THE PUBLIC INTEREST

One of the most visible and publicized acts of labor unions is the strike. When a group of workers goes on strike, they stop all production. This puts pressure on their employers to listen to the workers' demands. Workers most often strike over economic interests, such as higher wages.

The consequences of a strike often affect the public. What personal experiences have you had with striking workers? Make a list of strikes that you know about. Do you know the reasons why these workers decided to to go on strike?

Examples of Strikes	Issues	Union
1. Farm workers	Higher Pay	Teamsters
2.		
3.		

WHAT DO YOU THINK?

Should it be against the law for some workers to strike? Below you will find a list of occupations. In the space beside each occupation, put a (+) if you think these workers should be allowed to strike, a (-) if you do not think that they should be allowed to strike, or a (?) if you are unsure.

( ) actors
( ) fire fighters
( ) police officers
( ) garbage collectors
( ) bus drivers
( ) workers in an auto factory
( ) doctors
( ) baseball players
( ) soldiers
( ) school teachers
( ) air traffic controllers
( ) high school students

DISCUSSION QUESTIONS

1. What factors influenced your decisions? Did you consider your own inconvenience? What about the welfare of the worker?
2. What could happen to employees if they were not allowed to strike? Can you think of other ways in which workers can achieve their goals?
3. What might be the impact of strikes on employers? Employees? Consumers?

UNIONS: COLLECTIVE BARGAINING AND GRIEVANCE PROCEDURES

Union members believe that workers should have some voice in decisions that affect them. Thus when unions represent a group of workers, they claim to act as the collective voice of these workers when talking to management. The process the unions use to negotiate with employers on behalf of workers is called collective bargaining.

If the workers in a factory or company vote in favor of being represented by a particular union, the union begins to bargain with employers over the points to be included in a contract. This contract will set up rules that govern worker-management relations. Each side must compromise a bit to reach an agreement on the contract. When an agreement is finally reached, the union representatives take the contract back to the members who have a chance to vote on it. If the members are not satisfied, the bargaining process continues. If no agreement can be reached, the workers might decide to strike, putting economic pressure on their employer. There are about 150,000 contracts now in force in the United States. The vast majority of these were settled without a strike.

An important part of most union contracts is the grievance procedure. This is a step-by-step process workers can follow if they feel that the employer has done something that the contract prohibits. Usually, if a worker has a complaint, he or she will discuss it with the supervisor. If the employee is not satisfied with the supervisor's decisions, he or she can use the grievance procedure. The first step in that process is usually to file a formal written complaint with the shop steward. The shop steward is a fellow worker who has been elected to this position by the other union members. After the complaint is submitted, the union takes over processing the case for the employee.

There are usually several steps to the grievance process, depending on the size of the company. At each step, there is a union representative who discusses the issue with management. The shop steward will take the written complaint to the foreman. If the union does not feel the foreman has settled it well, the chief steward will take it up with the Industrial Relations Manager. At this point, if the complaint is still unsettled, the union must decide

if the case is worth submitting to binding arbitration. This would mean that the employee's complaint is brought to an impartial outsider, the arbitrator who listens to both sides and makes the final decision. The process is called "binding" because both the union and management agree ahead of time to go along with the arbitrator's decision. Under contract rules, the compan, cannot stop the union from calling for binding arbitration, but they can work out a compromise or settlement before the arbitration process begins. If the union does not think the complaint is worth the trouble of arbitrating, they will compromise, whether or not the employee wants to.

LABOR AND MANAGEMENT: YESTERDAY

There is often a conflict of interests between an employer and the company's workers. Today, most of these conflicts are settled peacefully. Unions representing the interests of workers engage in collective bargaining with employers. Each side eventually "gives in" a little and a compromise is worked out.

But the relationship between the workers and management was not always so peaceful. When American workers first began to form organized groups to gain bargaining strength, violent clashes occurred. In the late 1800's, the plight of the working man, woman, and child was very different from today. Most of the problems were caused by the extreme changes brought on by the Industrial Revolution.

Labor and capital were the two major ingredients of the Industrial Revolution. Both were vital to the plants, mills, and factories that quickly sprang up at the end of the last century, and they are still vital today. But the two sometimes came into strong conflict.

What do these two terms mean? Labor refers to the workforce. The Industrial Revolution came about when people began to think up newer, faster, and cheaper methods of producing the goods the country would need. They invented machines that could "mass produce" items that would take a long time to make by hand. So laborers were hired to run the machines. It took less skill for someone to run a machine that made shoes than to make the shoes by hand. People could now be trained in a few hours. Capital refers to money, property, tools, machines, and factories. Actually, any item created to help produce other goods and services in the future is considered capital. A hammer and saw are capital goods, used for making furniture; the carpenter provides the labor. Both capital and labor are costs of production to the employer.

As technology advanced and new machines were invented, more money was spent by manufacturers acquiring capital equipment. Because it was faster and cheaper to make things by these new industrial methods, manufacturers could sell these items for less. More people could buy things that used to be

considered "luxury items." This seemed good to the average person. As new factories and mills sprang up, more and more laborers were needed to run the equipment. Young people began to leave the family farms for the city. More and more immigrants were moving to America. They did not have enough money to buy their own land so they moved to the already crowded factory towns where unskilled workers were needed. Pay was low, hours were long, and working conditions were often unsafe in the factories.

It was under these new conditions that the workers began to organize unions. One person alone had no effect, but when workers got together and made their demands with one voice, they were heard. Small craft unions had been around since the early 1800's. These were groups of skilled craftsmen who joined together to protect their economic interests. The first successful nationwide union was the Knights of Labor founded in 1871.

For many reasons, however, the Knights of Labor disintegrated by 1890. Its reputation was hurt by the Haymarket Riot in May 1886, in which a bomb was thrown at police during a strike in Chicago where workers were fighting for an eight-hour work day. The Knights of Labor were not directly blamed for the riot, but there was an anti-labor attitude in the country for a long time afterwards. Many of the skilled workers at the time did not want to be in the same union as unskilled workers. They felt that their skills were valuable and that they could influence employers better on their own.

In 1886, the American Federation of Labor (AFL) was founded. This was a national federation of craft unions. Unlike the Knights of Labor who wanted to reform the industrial society, the AFL restricted its interest to improving the wages and working conditions of its members. Samuel Gompers, a British immigrant and cigar maker, was president of the AFL from its beginnings until his death in 1924. He once said, "The employers have simply cut wages whenever they thought it convenient. They looked upon their employees as a part of the machinery . . . ."

By 1914, three-fourths of all workers in unions were part of the AFL, but most of the AFL's members were skilled workers. The actual federation was made up of national unions of each craft which were, in turn, broken down

into local unions. There was a separate national union for each trade or craft: plumbers, bricklayers, electrical workers, garment workers, and many others.

During the Great Depression of the 1930s, a new labor organization was formed. This was the CIO — the Congress of Industrial Organizations. This group set out to organize the unskilled workers in the big new auto factories and steel mills. The CIO's tactics included several strikes involving thousands of workers. Eventually, the two big federations merged into the AFL-CIO. By resolving their differences and working together, they were more powerful and able to influence both business and government.

THE TRUE WEAVE SIMULATION

A Labor Dispute at the True Weave Textile Plant

How does a plant or factory unionize? Normally, the process begins in one of two ways. Workers can contact a union to ask it to help them organize or the union itself may decide to try to organize employees in a particular workplace. The Wagner Act of 1935 gave employees the right to decide whether or not they want a particular union to bargain for them. The National Labor Relations Board (NLRB) supervises these elections.

In this activity, you will participate in a union representation election. Your class will become a textile factory in a small southern town. The textile factory makes fabrics from fiber and yarn. It is full of noisy machines and cotton lint is everywhere. All of you will be involved in this controversy: Should the workers in the True Weave Textile Plant vote in favor of joining the Textile Workers Union? The class will be divided into workers, plant managers, union organizers, and NLRB officials. 30% of the workers in this factory have signed a statement saying that they would like an election to be held. Before an election is held, the union must first demonstrate that the workers are interested. The rule is that if 30% of the workers show an interest by turning in authorization cards or signing a petition, an election is held. It is now time for the election to decide if the workers want a union.

You will be given a chance to read a fact sheet describing the situation at the True Weave factory. The union people and the managers will then have time to discuss how to present their viewpoints to the workers before the election is held. NLRB officials will conduct the election to determine whether or not a majority of workers want the union to represent them.

I want the Textile Union to represent me in bargaining with management.

☐ YES ☐ NO

UNIONS TODAY

About one-fourth of the American workforce belongs to labor unions. The Teamsters has almost two million members. The United Auto Workers (UAW) has 1,800,000 members. These big unions have great political and economic power. They can use members' dues to support political candidates that favor labor. They pay strike benefits to help the families of union members who are temporarily out of work due to a strike. Pension funds worth hundreds of millions of dollars are used to buy stocks and bonds, supporting workers' retirement programs.

Because of the power of big business and big unions, and some of the abuses of that power, government stepped in to set up rules of conduct between business and labor. Management is not allowed to interfere with employees interested in joining a union. Once workers have voted to join a union, management is required to bargain in good faith to create a union contract governing wages and working conditions. Unions are prevented from setting up a "closed shop" which requires the hiring of union members only.

The National Labor Relations Act of 1935 (or Wagner Act) created a government agency, the NLRB, National Labor Relations Board. The NLRB consists of five members who are appointed by the President of the U. S. They investigate violations of labor laws and oversee elections when employees vote for or against unionization.

In the "True Weave Textile" simulation, we saw a group of factory workers involved in an election to decide if they wanted a union to represent them. Strong factors encouraging unionization are low pay and bad working conditions. Some companies work to keep unions out by providing better benefits than a union would be able to get for the employees.

Factory workers are not the only union members. A growing number of white collar workers and professional groups are also joining unions--clerks, musicians, actors, teachers, postal workers, government workers. The following newspaper story tells of a new group of workers who have joined the Teamsters.

"Mickey Mouse Will Wear the Union Label" from the August 20, 1982 edition of the Los Angeles Times has been removed due to copyright restrictions.

READING REVIEW

To check your understanding of the reading, answer the following questions.

1. What is collective bargaining?
2. Trace the steps in the grievance procedure.
3. What do employees who are not unionized do about grievances?
4. What are the costs of production for a business?
5. Why do workers join unions?
6. What are some examples of ways in which laws affect labor-management relations?
7. Why did the Disney World employees join the Teamsters Union?
8. What is a representation election?

THE AUTOMOBILE INDUSTRY: PRESENT AND FUTURE

ROBOTICS

Chrysler Motor Company has a new line of car models called K-cars: the Dodge Aries and the Plymouth Reliant. If you ever ride in one of these cars, you might be interested to know that 98% of the 3,000 spot welds on those cars are made by robots! But before you get the idea that this makes Chrysler's cars unusual, you should know that the General Motors Company is developing robots that will be able to select parts from a bin and examine them for defects. These robots are doing jobs that human workers used to do. Some "experts" say that up to 75% of all factory workers could someday be replaced by robots.

The Company's Point of View

The automobile companies are beginning to use robots in the effort to make old factories more productive. Old plants have been rebuilt with hundreds of millions of dollars worth of new equipment. Chrysler spent $100 million to re-equip a 73-year old plant. The company claims that this will increase productivity by 17%.

One robot welder can cost $60,000 but it costs only about $6.00 per hour to operate. An average assembly-line worker doing the same job would cost the company $17.00 per hour in wages and benefits. These robots can be programmed by a computer. Their hooklike hands can lift the heavy steel parts and welding torches more easily than human workers can.

A small company called Unimation has been building and developing robots for more than twenty years. Unimation's founder and president is Mr. Joseph Engleberger. His company had already sold over 3,000 robots. Mr. Engleberger says that robots will not only increase productivity and efficiency, but they will replace workers in hot, hazardous, or extremely boring jobs. They will, he says, create new jobs for people that are more interesting. For example, a person could become "boss" to five or six robots. There might even be new industries for people to work in, like renting household robots as maids.

The Worker's Point of View

Harley Shaiken is an expert on advanced technology who has advised the United Auto Workers union. He says that the robot industry might grow 25% in the next 10 years. If this came true, 17,000 robots would be produced each year by the year 1990. In addition to these new robots, old robots would still be working. At that rate, he says, there might be 32,000 robots in the auto industry by 1990. And robots do not get tired, so they could work many shifts. That means that robots could replace 100,000 workers. Mr. Shaiken says that there will be no way to put all these displaced workers into new jobs.

The working environment could be hurt, too. People could be surrounded by robot workers on the assembly line. There would be nobody to talk to. And the robots will take away many jobs and hurt the quality of their worklife.

DISCUSSION QUESTIONS

1. If you owned a company and you learned that robots could do the work of four individuals at half the cost, would you consider purchasing some? What would be the advantages to you? the disadvantages?
2. How would you feel about working next to robots if you were a worker?
3. Do you think labor unions should work against the use of robots in industry?

* *

WORKER TEAMS

Robots are efficient but they do little to improve the working environment. If you were an industrial employer, you might want to think of ways to keep your workers interested in their jobs. Even if you use the most advanced machinery available, you will still need people to work the equipment. Improving the morale of your employees may give them the incentive to work harder and to contribute more to the business. But you must also keep in mind that new work programs can cost a great deal of money. So you probably will not continue a new program unless it also benefits the business economically.

Some companies have been experimenting with new "work structures" in plants and factories. This means that they have changed the process by which the work is done. An interesting example is the use of worker teams in the auto industry.

Volvo's Kalmar System

Volvo, a Swedish automobile company, opened a new plant in Kalmar, Sweden in 1974. This plant was designed to work on an entirely new system. Instead of the traditional assembly line, the cars move along through the plant on little computer-controlled trolleys. The battery-powered trolleys follow electronic commands that come from magnetic tapes set into the concrete floors. The employees work together in teams. In a regular assembly-line, workers would stand in one place all day and do one specialized chore, such as putting in right front headlights. In the Kalmar plant, there are 25 teams of workers with 15 to 25 people per team. Each team handles a general area, like electric wiring or fitting upholstery. They must still work quickly, but they can vary their pace. One morning a team of workers was found relaxing and listening to the radio. One worker explained, "We hurried it up for a while so we could take a few minutes off and hear the news." On a regular assembly line, the workers must work at the pace set by the conveyor belt that moves the equipment. There is no flexibility.

Volvo decided to try out this new system because the traditional assembly line methods were not working well. Employees were absent quite often and many people quit after working only a few months. Absenteeism at some traditional Volvo plants is now up to 20%; at Kalmar, it is only about 12%. The new team system is working. The Kalmar plant cost Volvo $25 million. That is only 10% more than a conventional plant of its size would cost. Volvo says that it adds up to only $7.74 more per auto than its other plants, and there are fewer flaws to correct after the final inspection.

Volvo's earnings went up from $117 million in 1975 to $136 million in 1976. But what is profitable for one company might not work for others. Volvo produces fewer and more expensive cars than many companies. George Morris, Vice President for Industrial Relations at the General Motors Corporation, calls Kalmar "attractive" but a "waste of space." He observed that Kalmar produces only 15 autos per hour while U.S. plants often turn out 40 to 60 cars per hour.

Worker's Opinion

What do the workers think about the Kalmar system? Most seem to enjoy the system, but some workers do not like the responsibility placed on the team.

A few have left to return to more routine jobs. Some workers have emerged as natural leaders. A few years ago, six U.S. auto workers went to Kalmar to try the system for a while. Five of them said they did not like it. This flexible approach required constant thought and attention, they said. On a normal assembly line, the tasks become so automatic that a worker can daydream.

DISCUSSION QUESTIONS:

1. If you were an automobile company president, would you consider a team system like the Kalmar?
2. Can you think of ways to increase the productivity of American automobile plants?
3. If you were an auto worker, do you think you would prefer the traditional assembly line or the flexible team system at the Kalmar plant. Why?

* *

INDUSTRIAL DEMOCRACY

Magnet trolleys are a Swedish innovation, but American industries are also trying out new ways to make jobs more interesting and labor more productive. Many of these methods involve giving the employee a sense of identity and importance, a stake in the running of the company. Methods of doing this range from letting workers' teams supervise themselves to allowing employees a share in the profits of the company. If they work harder, the company makes a bigger profit. This may show up in higher wages. Or sometimes, employees actually buy stock in the company, giving them a small part of the ownership of that corporation. Many of these ideas involve "democracy in the workplace." This means giving workers a chance to participate in the decision-making process.

One leader of the United Auto Workers agreed that a worker might be interested in more than his/her wages. "While his rate of pay may dominate his relationship to his job, he can be responsive to the opportunity for playing an innovative, creative, and imaginative role in the production process."*

*Richard E. Walton, "Work Innovation in the United States," Harvard Business Review, July-August 1979, p. 95.

In the early 1970's, the General Motors Company decided to try new methods in its plant at Tarrytown, New York. The plant had a terrible record of conflicts between the workers and the management. They decided to involve the workers in the process of re-designing the plant. Rather than hide the plans from workers, they were asked to give their opinions and offer any new ideas they may have. The management figured that the workers would know a great deal about the plant's operations, and they were right. Many of the workers' ideas were adopted and implemented.

In this case, the union and the company worked together. As the union's president said:

> "We, as a union, knew that our primary job was to protect the worker and improve his economic life. But times had changed, and we began to realize we had a broader obligation which was to help workers become more involved in decisions affecting their jobs, to get their ideas, and to help them improve the whole quality of life at work beyond the paycheck."*

The Japanese Auto Industry

In a recent survey, more than 50% of Detroit's auto engineers thought that Japanese cars were better built than American cars.** They said this was because of the high quality of labor that goes into the autos and the fact that Japanese workers feel a strong attachment to their jobs.

Why do Japanese workers feel dedicated to their jobs and their employers? One major reason is that workers in the major Japanese industries are given lifetime employment. This means that even if people start buying fewer cars, forcing the big auto firms to reduce the number of cars they produce, they will not fire any autoworkers. How can a company afford to keep workers on the payroll when their jobs are no longer needed? One important reason is that Japanese workers are often moved to other jobs within a

*Robert H. Guest, "Quality of Work Life -- Learning from Tarrytown," Harvard Business Review, July-August 1979.

**"An Industrial Nirvana," Time Magazine, September 8, 1980, p. 53.

corporation. A large corporation or business group may own many different companies. The same people who own an automobile company may also own a textile company and a lumber mill. This is called diversification. So if a company does not need as many auto workers they can transfer these extra workers to jobs in the other companies owned by the same corporation. This way the workers remain on the payroll. So an auto worker may temporarily be sent to work in a construction company.

The Japanese brought some of their labor practices to America recently. In Lincoln, Nebraska, Kawasaki has an assembly plant turning out motorcycles. When demand for motorcycles decreased due to the 1981-82 recession, Kawasaki did not lay off workers. Instead the company loaned 10 employees to the city of Lincoln to work on the city parks, restore the city hall, and other civic projects. The company paid them full salaries while they worked on these government projects. Japanese companies use other methods to ensure that there will be jobs for their employees. One method is to retire workers when they reach the age of 55. Everyone over that age is automatically removed from the permanent workforce. Most American workers would not be willing to retire at such an early age. Also, Japanese unions often agree to allow companies to reduce workers' wages if the company experiences financial troubles. A few years ago, Japanese union officials agreed to allow New Japan Steel to reduce employee wages by 10%. Mr. Ogawa, the company's general manager of personnel development said, "In Japan we try to suppress the wages of the entire workforce before anyone is laid off."*

This job security is one reason that workers feel a strong attachment to their jobs. But there are also cultural reasons for this. The Japanese people place a high value on belonging to groups. An individual gains status if he/she belongs to an organization that is highly respected. So Japanese workers work hard to improve their company's reputation. Japanese workers receive a bonus twice a year. The size of the bonus depends on how much profit the company

*John F. Lawrence, Sam Jameson, "Japan's Lifetime Jobs: No Layoffs, Just Transfers," Los Angeles Times, October 26, 1980, Part V, p. 2.

makes. If the company loses money, the executives take a cut in pay along with the workers. Japanese workers have unions, but they try to work in harmony with the management. The last strike at Toyota was in 1955. It ended when the company's entire board of directors resigned as an apology to the workers. All employees in Japanese companies are viewed as equally important. Every morning they do 5 to 10 minutes of exercise together. Workers and managers both have quality control boards. Small groups of employees meet on their own time to analyze the quality of their work and figure out ways to improve it.

READING REVIEW

To check your understanding of the reading, answer the following questions.

1. Name several American companies in the automobile industry.
2. Why do companies think that robots will increase productivity?
3. What is the difference between working on an assembly line and working in a team of 25 as in the Kalmar system?
4. What is industrial democracy?
5. What do Japanese companies do in order to make workers feel dedicated to their jobs?

VOCABULARY WORKSHEET

A. Grievance Procedure -- Explain how each of these people fits into the grievance procedure:

Shop Steward	Foreman
Industrial Relations Manager	Chief Steward
Arbitrator	Employee filing grievance

B. Vocabulary -- Write the correct word next to its definition.

CRAFT UNIONS	REPRESENTATION ELECTION
INDUSTRIAL REVOLUTION	COLLECTIVE BARGAINING
TEXTILES	CAPITAL
STRIKE	NATIONAL LABOR RELATIONS BOARD

_____ 1. process unions use in negotiating with employers on behalf of workers

_____ 2. anything used to produce consumer goods

_____ 3. organization of skilled workers

_____ 4. machines replace hand labor

_____ 5. decides cases of unfair labor practices

_____ 6. fiber or yarn used for weaving fabric

_____ 7. determines if employees will be represented by a union

_____ 8. work stoppage by employees